



**STATE OF CONNECTICUT  
OFFICE OF THE STATE COMPTROLLER  
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**Kevin Lembo  
State Comptroller**

**Martha Carlson  
Deputy Comptroller**

**Written Testimony of  
Thomas Woodruff, PhD**

**Concerning  
Raised Senate Bill 1154  
AAC The Reporting of Claims Information to the Comptroller and  
Additional Duties of the Comptroller**

**March 15, 2011**

Senator Crisco, Representative Megna, Senator Kelly and Representative Coutu, and members of the Committee, my name is Thomas Woodruff. I am the Director of the Healthcare Policy & Benefits Service Division of the Office of the State Comptroller and I am here today to testify on behalf of Comptroller Kevin Lembo.

**Position**

The Office of the State Comptroller supports Section 2 of Raised Senate Bill 1154.

For compelling public policy reasons including transparency of health care cost information and achievement of cost savings, this proposed statutory amendment does the following:

- authorizes the Office of the State Comptroller (OSC) to
  - create a forum in which entities can consider entering into cooperative agreements such as multipayer advance care practices and accountable care organizations; and
  - provide direction, supervision and control over cooperative agreements that result;
- for purposes of establishing the applicability of state action doctrine, clearly articulates this action as state policy; and

- safeguards health care providers, health provider networks and purchasers from civil liability and criminal prosecution under federal and state anti-trust law.

Enacting this provision in law will fulfill an important recommendation of the Sustinet Health Partnership Board of Directors. In its January 2011 report to the Connecticut General Assembly, the Board recommended that the legislature establish that Sustinet or another state agency has authority to 1) act as a convener in facilitating information sharing among health care providers, health provider networks, and purchasers; and 2) encourage cooperative agreements, delivery arrangements, and relationships among health care providers, health provider networks and purchasers whose purpose is to promote more cost-effective health care delivery. The Office of the State Comptroller is well situated to fulfill this role because of its responsibility to administer state employee and retiree health coverage.

### **Background**

An example of the need for convener status relates to our efforts to create an Advanced Primary Care Practice model.

In 2009, the legislature gave the Comptroller's office and the Healthcare Cost Containment Committee the authority to convert the State employee and retiree medical care plan from being fully insured to self-insured beginning in July of 2010. In the fall of 2009, we issued a request for proposals (RFP) to insurance companies and third party administrators to provide administrative services only (ASO) for our plan. Among other elements, the RFP required that the ASO engage in Advanced Primary Care (also called Patient Centered Medical Home (PCMH)) initiatives. Following the contract award to Anthem and United Healthcare, we began discussions with them about creating an Advanced Primary Care program with a large primary care practice, ProHealth Physicians.

It would have been ideal at this juncture for all payers—insurance companies, self-insured employers, Medicare, and Medicaid—to be engaged since we were asking the primary care practices to transform the way they provide services, not just simply to State employees and retirees but to all of their patients. Further, it would have been helpful for payers to be able to come together to standardize the means by which they were making incentive payments to the practices. Even though payers agreed with us about both of these points, they raised concerns about anti-trust liability that were impossible to resolve in the absence of convener status. Subsequent discussions have made us confident that major stakeholders in these discussions, including primary care physicians and others, are supportive of and in need of the protections that are afforded by convener status.

The Office of the State Comptroller thanks you for your consideration of this provision within Raised Senate Bill 1154.